

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER COMPANY and IES UTILITIES INC.	DOCKET NOS. ARC-01-150 ARC-01-151
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ORDER REQUIRING ADDITIONAL INFORMATION

(Issued February 23, 2001)

On January 19, 2001, the Utilities Board (Board) issued an order requiring IES Utilities Inc. (IES) and Interstate Power Company (Interstate) to file a joint fuel procurement plan on or before May 15, 2001. The order also provided for the filing of information in addition to that required by the Board's rules. Subrule 199 IAC 20.13(1) requires the Board to periodically conduct a contested case proceeding for the purpose of evaluating the reasonableness and prudence of a rate-regulated public utility's fuel procurement and contracting practices.

Subsequent to the issuance of the January 19 order, the Board has continued to monitor and review IES' and Interstate's monthly energy adjustment clause (EAC) filings. As a result of this review, the Board has determined that information in addition to that delineated in the January 19 order is necessary to evaluate IES' and Interstate's fuel procurement plan. The Board will require IES and Interstate to file the following additional information in their fuel procurement plan:

1. In their monthly EAC filings, IES and Interstate indicate they have the following contractual relationships for purchased power supply: emergency, general purpose hourly/Mid-Continent Area Power Pool (MAPP)

M, general purpose daily/MAPP M, general purpose spin daily, negotiated cap 1/MAPP J, negotiated cap 2/MAPP J, unit part power/MAPP A, and firm liquidated damage. For each of these contractual relationships, IES and Interstate shall provide: a) a complete definition including the purpose of the transaction and any MAPP pricing provisions (if applicable); b) any demand or capacity charges associated with the contracts and how these charges are recovered in rates; and c) any maximum or minimum take rate requirements associated with the contracts and how these requirements are accounted for in rates.

2. Regarding any contracts delineated in 1 above, has IES or Interstate ever been offered a capacity and energy charge pricing combination versus a pure energy price with minimum and maximum take rates? If so, what option was selected and how were the costs recovered in rates?

3. Has IES or Interstate ever translated or converted a capacity charge paid under any of the contracts delineated in 1 above into an energy charge in order to flow the costs through the EAC? If so, explain the circumstances surrounding each transaction.

4. Provide all requests for proposals issued by or on behalf of IES or Interstate within the last five years for new long-term power supply either to serve new load or replace expiring long-term contracts.

5. Provide all requests for proposals issued by or on behalf of IES or Interstate intended to replace the firm power from the two Interstate purchased power contracts expiring at the end of April 2001.

6. Provide all requests for proposals issued by or on behalf of IES or Interstate within the last five years for the building of new generation dedicated, in whole or in part, to IES' or Interstate's retail load.

7. Provide all information concerning bids or internal proposals for generation upgrades or life extensions, including information on how the proposals were resolved or acted upon.

8. Provide the following information for each generating unit owned in whole or in part by IES or Interstate: a) availability factor for each of the last five years; b) capacity factor for each of the last five years; c) average heat rate for each of the last five years; d) average fuel and non-fuel variable costs by MWh for each of the last five years; and e) the most recent accreditation from MAPP or Mid-America Interconnected Network (MAIN).

9. Provide all protocols followed when determining when to generate power versus purchasing from the wholesale market.

10. Provide any customer savings realized over the last year from purchasing power in the wholesale market versus generating power through owned-generation.

11. Detail the approach used by IES and Interstate in allocating fuel and purchased power costs between Iowa and Wisconsin.

12. Provide any preliminary state jurisdictional allocation models, factors, manuals, or other information that have been developed or considered by Alliant Energy Corporation, or any of its affiliates, including

those developed in collaboration with the Wisconsin Public Service Commission.

In addition to the information outlined above, the Board intends to have its staff conduct EAC audits of both IES and Interstate. The Board's staff will contact IES and Interstate to schedule these audits.

IT IS THEREFORE ORDERED:

IES Utilities Inc. and Interstate Power Company shall file the information identified in this order as part of their joint fuel procurement plan, which is to be filed on or before May 15, 2001.

UTILITIES BOARD

/s/ Allan T. Thoms

ATTEST:

/s/ Judi K. Cooper
Acting Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 23rd day of February, 2001.